Administrative Affairs Council Minutes
September 11, 2007

Participants
Dave Clark, Mary Eisenbraun and Tamara Barber – BSC
Alvin Binstock and Mark Lowe – DSU
Corry Kenner – LRSC
Steve Bensen – MaSU
Ron Dorn – MiSU
Jim Borkowski – MiSU-BC
Mike Renk – NDSCS
John Adams, Karla Mongeon-Stewart and Broc Lietz – NDSU
Robert Gallager – UND
Trudy Collins – VCSU
Brenda Wigness – WSC
William Goetz, Laura Glatt, Cathy McDonald, Darci Trenda, and Deanna Dailey – NDUS

Presentation by Randall Thursby
Mr. Thursby gave a presentation entitled “ConnectND Update and Other Issues.” A copy of the slideshow was distributed with the agenda materials. Some of the major discussion points were as follows:

- Of the 11.5 FTE’s authorized in the recent legislative session, only four positions have been filled, due to lack of qualified candidates. There have been two failed searches to fill Mick Pytlick’s financial system director position. Mr. Thursby attributes this to the lack of qualified individuals available to fill the number of positions in the technology field nationwide, in addition to the salary challenges in the NDUS.
- Due to a decision to delay by state government, the upgrade to the Finance portion of ConnectND has been postponed from fall 2007 to January 2008, and may not be completed until the spring. If implementation gets too close to the end of the fiscal year, Randall said he would recommend delaying implementation further into FY09.
- The NDUS has acquired the Universal Productivity Kit (UPK) software for Finance and Campus Solutions, which will allow employees to undergo training at their desk on their computer.
- The data center technical upgrade was completed this past summer. Mr. Thursby thanked everyone for their cooperation in delaying large processes during student registration, which reduced the amount of problems created.
- Campus Solutions upgrade from 8.0 to 9.0 is currently underway. This is the largest of all ConnectND upgrades. The first test environments for campus solutions will be put up September 11th and 12th.
- A security consultant was hired to work with the security staff this past summer to begin the process of performing a Security Risk Assessment on our system.
- ConnectND staff will begin working on disaster recovery late this fall.
- Upon its completion, the NDUS’ Data Warehouse will be more detailed than the state of North Dakota’s.
• Customer Relationship Management (CRM) RFP was issued. From the responses received, we are now in the second round of demonstrations. Hopefully, a recommendation can be made in October.
• Mr. Thursby thanked Peggy Lucke for her assistance with the Touchnet implementation. Marketplace Suite will be added next.
• Parking upgrade has been scheduled to take place from March 2007 to May 2008. Housing web interface will be completed by March 2008. Facilities will bring up that hardware this fall and will also have to rewrite queries.
• NDUS will be contracting with ITD to host Kronos for $12,000 per year. Those campuses that use Kronos will have to pay for this, but it is expected that their maintenance costs will go down. Equipment costs, however, will be incurred and paid by the campus users.
• ConnectND staff is hoping to get a HRMS Self-Service demo up for the HUEG conference.
• Customer Service Software (Help Desk) – Internet search will help hold down costs at your institutions. They are trying to link with identity management (LDAP) to eliminate the need to repeatedly enter user information. From the users perspective, it will appear that you are using a single sign-on; however, it isn’t truly one.
• Regarding the finance upgrade, Mr. Thursby said the best time to transfer data from the old system to the new version is at the end of a calendar year. Ms. Glatt asked whether it’s feasible, given the existing lag time, to expect this upgrade to begin in January 2008. Mr. Thursby replied that it will likely be Pam Sharp’s (Office of Management and Budget - OMB) decision whether to go ahead with the finance upgrade but we will have to give our input to her. Mr. Thursby has told them that they cannot bring up the finance upgrade at the same time they do the student upgrade.
• Campus involvement – CND staff intends to follow the project plan that has been approved by the CAC and will be presented to the oversight committee. The intention is to let campuses know 90 days ahead of approximate dates for their involvement, but they will provide the actual dates no later than 30 days out.
• Mr. Thursby stressed the importance of having a strong technology infrastructure. Services will only work as good as the network will allow. He encouraged the council to ask questions of their campus’ IT staff about their campus networks to ensure they are robust and stable. Sometimes when the campus systems slow down it is blamed on CND when in fact it is a local campus network problem.
• Keeping up with bandwidth requirements, which are doubling every year, is one of the NDUS’ biggest challenges. Significant increased network costs are being absorbed within the CIO budget this biennium. ITD will likely run out of bandwidth in approximately 2-4 years.
• Mr. Thursby suggested campuses consider outsourcing email services. Microsoft, Google, etc., would be able to provide a campus identity at no cost to the System or to students, and we wouldn’t have to worry about maintenance of the software. This is perhaps not suitable for staff, but Mr. Thursby said for students, it’d be worth examining as an option.

Mr. Thursby explained that currently, ConnectND has over 1,000 modifications, which is far too many for a system of this size. The SBHE has directed CND, working with the campuses, to
look for ways to simplify processes to reduce complexity. Some of the first issues campuses will be asked to review in order to reduce the complexity of our system are:

1. Common withdrawal date (term)
2. Academic standing & satisfactory academic progress
3. Degree/major audit
4. Job family assignment for academic employees
5. Definition of half-time student for payroll purposes
6. Recruiting and retaining qualified staff

Mr. Gallager’s expressed concern that when ConnectND was implemented, it was staff-directed, not user-directed, and went on to ask who will actually be reviewing and deciding on these issues. Mr. Thursby explained that workgroups consisting of campus representatives will be created to make recommendations to the Oversight Committee. When asked to put those 1,000 modifications into perspective, Mr. Thursby explained that in the Georgia system, they had 35 campuses and they had about 400 modifications. In North Dakota, we have 11 campuses and over 1,000 modifications. If the small ConnectND staff is doing nothing but modifications, etc., they will have no time to implement new modules or other functions that the system is capable of supporting.

Mr. Thursby said each workgroup will have 30 days to review the issue and forward a recommendation. Any policy issues or major changes will need to be reviewed by the appropriate council(s) (administrative affairs, academic affairs, student affairs, etc).

There was discussion regarding redundant efforts, such as individual Microsoft Campus Agreements at each institution. At the present time, four institutions have independent Microsoft Campus Agreements at a cost of approximately $42 per FTE. If the System had only one shared agreement, Mr. Thursby believes the price could be reduced to $36-37 per FTE, and the software can be installed on any computer, anywhere on the campus, with automatic upgrades. In addition, he said campuses would save significant overhead costs related to installing and tracking licenses on each computer. This agreement allows the campuses rights to the most current version, as well as the most recent version. Students can also participate in this shared license at a very low cost to them.

Ms. Glatt said when the cabinet and the board discussed this issue, it was suggested that this is an administrative issues since at some campuses there are challenges aggregating the funding and related volume to allow participation in such an agreement.

A draft policy, “North Dakota University System Policy for Information Technology Project Management,” was distributed in the agenda packet. Mr. Thursby stressed the importance of this group’s support for collaborative technology efforts. The board has asked Mr. Thursby to come to every one of their meetings and provide an update of the reducing the complexity of CND and the collaborative efforts of the campuses.

Funding for ancillary systems needs to be examined by the Council in the near future. Mr. Thursby said he would bring this issue back to the group in the near future. When Ms. Glatt
asked if he is looking for answers by next spring (budget planning for the 2008-09 annual budget), Mr. Thursby responded that he doesn’t believe they need to be acted on that soon.

Ms. Glatt reported that Mr. Thursby’s contract with the NDUS ends June 30, 2008. The search for a new CIO will begin in the fall of 2007, and it is hoped that someone will be in place prior to Mr. Thursby’s departure. She said that campus representatives will be asked to serve on the search committee.

HB 1461 charged the NDUS chancellor to develop information technology planning, policies, standards, guidelines, and project management oversight and reporting in coordination with the state’s Information Technology Department. As such, a policy has been drafted, presented to the Chancellor’s Cabinet, and will be presented to the SBHE at their September 20, 2007, meeting for approval. Mr. Thursby said the planning process is being restructured to be more of a strategic planning effort instead of a budget plan. Ms. Glatt added that we will need to have a conversation with officials at OMB regarding some of the budget reporting requirements.

Proposed change to SBHE policy 803.1 – Purchasing Limit
Mr. Seaworth reviewed the proposed revisions to SBHE policy 803.1, purchasing procedures. The revisions were drafted to bring clarity and consistency with OMB’s policy and would increase that formal bids would be required for purchases over $25,000, instead of the current $10,000 limit.

Hearing no objections to the revisions as presented, Mr. Seaworth will forward the proposed change to the Cabinet at the recommendation of the Administrative Affairs Council.

Master Lease RFP
Mr. Seaworth said SBHE Policy 803.1 sets a contract term limit of ten years for service and requires a re-bidding process.

In the past, the System office has collaborated with UND’s purchasing department in the preparation an RFP, which is then brought to the Administrative Affairs Council for approval. Several members indicated they are pleased with the relationship they currently have with GE Capital and would prefer to extend the current contract rather than do another RFP for a master lease agreement. Mr. Seaworth reiterated the SBHE policy requirement to do an RFP every 10 years, and we are approaching the end of the contract term. Mr. Seaworth reminded those present that if you enter into a master lease agreement with a different entity, you can’t do a tax exempt action until you get board approval to do so. Mr. Seaworth also encouraged any one entering into their own contracts to carefully read the fine print and be sure you will not be assessed hidden fees.

Mr. Gallager volunteered UND’s assistance in preparing, issuing and evaluating a master lease RFP.

Biennial Budget
Ms. Glatt said this issue was discussed at the recent cabinet meeting. At that time, there were no specific changes recommended to the long-term finance plan or funding model. The formula
wasn’t so much an issue as the availability of state funds. The cabinet discussion focused on strategy rather than the specific changes to the model or to the peer model itself, although there was a suggestion by one president to scrap the peer model and develop a new formula approach. Ms. Glatt asked for the Administrative Affairs Council’s feelings on the LTF plan and whether we should continue to use it in future budget planning.

Ms. Collins expressed concern with self-supported classes and how they affect the enrollment counts. Ms. Barber said this may be a terminology issue and asked if North Dakota institutional tuition account numbers are counted differently than others reporting to IPEDS? Ms. Glatt replied that this may be true, but during the plan development process, IPEDS seemed to be the best comparative group available to the System. Mr. Adams added that he has faced this issue throughout his entire career in higher education and although there may never ever be an exact match, he’s found IPEDS data to be the most accurate. Ms. Collins asked that any future analysis that contains a comparison of state dollars per student by campus should exclude the self-support enrollment.

Mr. Clark said he’s heard external comments about the large number of long-term finance plan peers identified for each institution. Still, others felt the peers were as fair as reasonably possible since MGT Consultants, a firm hired by the legislative council, assisted in the selection of these peers. Overall, the long-term finance plan peers are supported internally; however, legislators seem to be delivering a message of non-support based on comments from the campuses in their district. It was suggested that budget initiatives should be developed which focus on uses of one-time funds due to the large and accumulating state general fund balance.

Ms. McDonald distributed a document at the meeting for discussion regarding collaborative projects and special initiatives. (Attachment A) Also included with this document was a worksheet outlining the 2007-09 one-time funding. Some of the points she identified were the need for a process to identify system-wide and campus collaborative projects and special initiatives prior to developing the list of biennial budget priorities. For collaborative projects, she suggested we define what qualifies as a “collaborative project” and that we may want to identify any possible themes (specific workforce areas/needs, student preparedness and success, CND/technology improvements, research, etc.).

Ms. Glatt suggested that the System may want to prepare for legislators a list of special projects for their consideration. However, we should be careful when doing so, as they may decide to take funds away from other budget line items to fund those special projects. It’s common practice for legislators to want to fund special projects and often, if none are identified, they will contact institution representatives and ask for one. This approach does not provide the SBHE the opportunity to help determine priorities.

According to Ms. Glatt, Chancellor Goetz feels the NDUS will need to be more specific when preparing our budget request for the 2009 session. We’ve not done this in the past because it forces us to identify programs and services too early. The chancellor feels strongly that the only way we’ll get more money is to get legislators to invest in tangible projects. Again, the concern becomes that in order to fund these special projects, they tend to reduce operating funds in other
Another concern identified was that many projects or programs require on-going funding, not just one-time funding.

When asked how we can propose collaborative projects as something other than one-time funding needs, one suggestion was to request the money for start-up needs and eventually, the project will fund itself. Endowment funding has been considered by the NDUS in the past but it has never been pursued because it is felt this would be more successful at the larger institutions than at the smaller ones.

Mr. Clark suggested that because of the state’s current budget surplus, the funding situation is different. He feels it would be helpful to be more proactive and provide specific details as to what we are asking the legislator to fund.

After the discussion, the Administrative Affairs Council members agreed that we hope to avoid listing specific projects. However, the following suggestions were offered as ideas for future collaborative projects, which would benefit all campuses, and reduce the financial obligation at each campus:

- ConnectND fusion technology
- Deferred maintenance pool
- Workforce creation

Ms. Glatt said that it is important that collaborative projects among campuses come through the campus budget process, instead of around it to the SBHE or the legislature. More direction will be provided in the future.

Ms. Mongeon-Stewart asked when the NDUS budget guidelines will be distributed. Ms. McDonald said the Governor releases his budget guidelines in March, after which time the board & cabinet can finalize the NDUS guidelines; however, she said discussion will start earlier in about February of next year. Institutions can expect to receive this information in approximately April or May of 2008.

**IRS rules related to cell phones**

Discussion was held regarding the use of cell phones by System employees and how the Internal Revenue System (IRS) views this activity. An IRS publication, “Employee Cell Phones” was distributed with the agenda materials and discussed at the meeting.

Mr. Adams said they are reviewing the policy at NDSU and thought it may be appropriate to review this at system level. NDSU has over 500 cell phones for use by their employees. In addition to the tax-related issues, they are also reviewing how many cell phones are actually necessary.

If a company phone is being used for personal reasons, the employee can be taxed for the use of the phone as income. This also applies to computers, PDA’s, etc. Because our cell phone contracts are part of the state plan, we are getting a very low rate. Discussion took place about providing some employees with a monthly stipend in exchange for using their personal cell phone for business purposes. Ms. Glatt said first, we need to clarify what type of policy should
be developed. The policy can either say that the campus shall create their own policy, or the system policy would dictate what every campus must do.

Ms. Glatt suggested the controllers group research the issue and prepare a report listing the benefits and drawbacks for each method and bring it back to the Administrative Affairs Council for consideration. At that time, this group can determine which type of policy would be most appropriate. The group agreed with this suggestion.

403(b) plan IRS Rule Change
Mr. Adams pointed out that the IRS regulations for 403(b) tax sheltered annuity plans have recently changed. An explanation of these changes by Martha L. Hutzelman, Esq., was distributed in the agenda materials for review. Ms. Glatt said TIAA-CREFF will be coming to an upcoming Human Resource Council meeting to discuss this and she is confident that they will keep us informed of the status of these regulations and how they will affect System employees.

Tuition Waivers-SBHE policy 8
Mr. Gallager asked for clarification regarding the employee tuition waiver section of SBHE Policy 820 – Tuition Waivers. He explained that UND has a number of classes that are 5-12 credits and the current policy can and has resulted in a full tuition waiver for an employee. Mr. Lietz said NDSU is interpreting the policy literally and added that while the class issue isn’t flexible, there is some flexibility in the related release time. It was agreed not to suggest changes to the current policy.

Update on proposed changes to 803.1 – Cancellation and approved payment plans
Dr. Hillman reviewed his email message to Chancellor Goetz dated September 5, 2007, regarding enrollment reporting issues. A copy of this message was distributed with the agenda materials. Enrollment reporting policy (SBHE policy 830.1.1) requires that students have paid or made arrangements to pay to be counted in the census date enrollment record. An auditor’s report identified that a process involving "blanket exemptions" resulted in a number of students being reported in the census date counts who were later withdrawn with the withdrawal date post-dated to before the census date. On its face this process produced a serious challenge to the validity of system and institutional enrollment reports. Mr. Seaworth indicated earlier this year that the blanket exemption process is not in accordance with SBHE policy and either the policy or the blanket exemption process needed to change. A broadly representative working group was convened and held several conference calls to address this issue. John Adams represented the Administrative Affairs Council on this work group. The over-riding principle to come out of the working group and related senior council discussion was a "level playing field" for all institutional enrollment reports. If blanket exemptions were acceptable, then all institutions should be allowed to use them. If they were not acceptable, then no institutions should be using them.

Mr. Seaworth has stated that blanket exemptions are not appropriate; however, individual exceptions are. He suggested one way to solve this issue would be to ask the SBHE to change the policy but it was decided this would not be the best possible solution. Discussion took place on when it is appropriate to grant an exception to the student. A student who is in the Air Force, for example, and we have a letter of intent from the Air Force for payment would be an
appropriate exception. Northwood students would be considered special circumstance due to the recent tornado and therefore warrant individual consideration for exception.

It was decided that all campuses should work hard to get all students enrolled, registered, paid, etc., using those exception guidelines as stated. Dr. Hillman will be recommending to the chancellor that when enrollment reports are created, only those students who have paid or received an individual exemption, with written documentation in their file, can be counted. Institutions would still have the option of dropping them off the report and risk re-enrollment later on, or have a separate count of students whose attendance cannot be verified, noted on the enrollment report. HECN was able to generate a report showing all of these issues. This report was made available to the financial aid departments. Mary Eisenbraun (BSC) said there is a flaw with the report that has been created. When she ran it on Friday, the report showed 401 students as not having paid. Ms. Eisenbraun added that they do not have the staff to go to each file and find out each individual payment situation within such short timeframes.

If you don’t want to pick your own date, IPEDS defaults to September 12, which is an arbitrary date, but it is consistent. Dr. Hillman said they are looking at adding a drop/add date to the common calendar.

Mr. Seaworth added that “individual exception” can include a group of students that are subject to the same payment plan. For example, the Air Force student described earlier or a company providing training to a group of employees. He suggested that when you have a group is registered for a class that starts in October (or sometime down the road), add a line to the registration that says “I understand that tuition and fees are due and must be paid no later than (a specific date).”

Several concerns were raised regarding the exception issue, such as Touchnet, which allows students to pay online. There may be students who pay the day after the enrollment report is created and as a result, they don’t get included in that report. Ms. Mongeon-Steward suggested we clarify the status of those students who have made only partial payment and whether we can consider them as “paid” for reporting purposes. It is her understanding that if they are making an effort to pay, legally, they are considered as being paid.

Dr. Hillman suggested for this year, institutions can either choose to contact and document payment arrangements for each student, or add a footnote with the explanation to the enrollment report. An example of the footnote may be “of the 2,000 students reported, 12 of the students have not paid, no exemption has been granted, nor have they made arrangements to pay.” Mr. Thursby suggested running a preliminary date enrollment report for press purposes, then creating a final or official headcount enrollment report at a later date for IPEDS reports, legislature, etc. The benefit of this is that you’d have a consistent time frame in which those numbers are reported. In the state of Georgia, they use two weeks after mid-term for the official numbers.

Ms. Glastt suggested that Mr. Thursby and his committee continue to work on the ConnectND-related enrollment issues, and that she and Dr. Hillman will need to make arrangements for a new work group made up of administrative and academic people to address these issues.
Other
Mr. Clark said that there is no state law prohibiting individuals from bringing guns on to the campus. There is a campus policy, but it was suggested that we look into a statute restricting firearms on campuses. Mr. Seaworth said we can certainly do that, but he would also then suggest we look into creating a board policy, as well. The reason behind having a SBHE policy would be so there would be consistency between campuses. However, an issue such as this will likely attract publicity and special interest groups such as the NRA, etc. Mr. Gallager expressed concern that this potential policy may conflict with the state law regarding concealed weapons. It was the consensus of this group that a policy will not stop a shooter but would only provide legal protection if someone is injured or the victim of an accident. After some discussion, it was decided that no policy would be considered at this time.

Campus Master Plans
Ms. Collins asked for input on preparing a Campus Master Plan. For example, she asked if an architectural review or other in-depth study is to be completed and how much outside help she can utilize. Ms. Glatt told her that decision is left up to each individual institution.

President & Chancellor Contract Review Task Force Update
Ms. Glatt gave an update of the work of the task force, as it will impact likely impact payroll and foundations.

Future Meeting Dates:
October 16, 2007
November 6, 2007
December 4, 2007